

EXHIBIT 32

In The Matter Of:

IN RE SEPTEMBER 11 LITIGATION v.

STEPHEN J. WALLACE

July 17, 2007

CONFIDENTIAL

TC REPORTING in Affiliation with Merrill Corp.,

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WALLACE STEPHEN J. - Vol. 1

12:26:41 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:26:44 2 Q. I just asked a question. I have feelings,

12:26:49 3 too.

12:26:50 4 MR. CAMPBELL: We're going into

12:26:53 5 sensitivity training?

12:26:53 6 (Discussion off the record.)

12:26:54 7 BY MR. GRANITO:

12:26:56 8 Q. Did you ever prepare a kiosk for the

12:27:00 9 checkpoints that contained prohibited items such as

12:27:03 10 knives?

12:27:05 11 MR. CONNORS: Objection to the form of the

12:27:06 12 question.

12:27:06 13 A. No.

12:27:06 14 Q. Guns?

12:27:07 15 A. No.

12:27:07 16 Q. Mace?

12:27:07 17 A. No.

12:27:09 18 Q. Pepper spray?

12:27:10 19 A. No.

12:27:13 20 Q. Did there come a time -- strike that.

12:27:16 21 On May 11th, were you engaged in putting

12:27:17 22 this kiosk together --

12:27:17 23 A. Yes.

12:27:18 24 Q. -- at Logan?

25 A. Yes.

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12:27:20 2 MR. PODESTA: Let him finish the question.

12:27:20 3 THE WITNESS: Sorry.

12:27:21 4 BY MR. GRANITO:

12:27:25 5 Q. And did something occur at that time
12:27:27 6 pertaining to individuals?

12:27:28 7 A. Yes.

12:27:32 8 Q. Can you tell me what time it was that this
12:27:33 9 occurred, approximately?

12:27:40 10 A. Yes. It was -- it was -- it was between 8
12:27:44 11 and 9:30 in the morning.

12:27:46 12 Q. And where were you located specifically?

12:27:47 13 A. At that kiosk.

12:27:49 14 Q. And what were you engaged in doing?

12:27:53 15 A. I was -- I had boxes of items that I was
12:27:58 16 putting into the kiosk for the first time.

12:28:01 17 Q. And what drew your attention to these two
12:28:03 18 individuals, if anything?

12:28:08 19 A. Well, they were -- they were videotaping
12:28:12 20 and taking pictures, and talking fairly loudly on a
12:28:14 21 cell phone.

12:28:16 22 Q. And could you describe the two
12:28:17 23 individuals?

12:28:21 24 A. They were -- it was two men, medium
25 height, maybe even a little slightly less than medium

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12:28:31 2 height, dark complexion.

12:28:35 3 They were wearing shirts that reminded
12:28:40 4 me of Miami. One in particular, and I'm sure you've
12:28:45 5 seen them, like a cotton shirt with two embroidered
12:28:49 6 stripes. Like embroidered with -- not colored thread,
12:28:52 7 but like a thread that had, I don't know, like almost
12:28:56 8 like lace kind of stuff, but not feminine lace. Like a
12:29:03 9 masculine kind of, and they had, they had chino type
12:29:10 10 pants. And then they had shoes that were like basket
12:29:15 11 woven leather shoes.

12:29:17 12 Q. You said they were videotaping. What
12:29:19 13 specifically were they videotaping?

12:29:22 14 A. They were videotaping the checkpoint and
12:29:26 15 the FIDS monitor, the flight information display
12:29:29 16 screens.

12:29:31 17 Q. When they were speaking on the cell
12:29:33 18 phones, what language were they speaking in?

12:29:35 19 A. I believed it to be Arabic.

12:29:36 20 Q. Did you also believe the individuals to be
12:29:40 21 Arab? Middle Eastern?

12:29:42 22 A. I thought that they were Middle Eastern,
12:29:43 23 yes.

12:29:44 24 Q. Was there anything else that concerned you
25 concerning the two individuals during this time?

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12:29:48 2 MR. PODESTA: Object to the form. You can

12:29:49 3 answer.

12:29:52 4 A. They were taking pictures with disposable

12:29:53 5 cameras, also.

12:29:59 6 Q. Were both men using disposable cameras?

12:30:01 7 A. I -- I think one man was doing most of the

12:30:04 8 work.

12:30:06 9 Q. Did they have any luggage in their

12:30:07 10 possession?

12:30:07 11 A. Yes.

12:30:08 12 Q. What did they have?

12:30:12 13 A. They had a pilot bag, but you folks call

12:30:16 14 them litigation bags. Brand new.

12:30:18 15 Q. Did both men have the same pilot bags?

12:30:20 16 A. I only saw one pilot bag.

12:30:21 17 Q. How long did you observe the two

12:30:22 18 individuals?

12:30:24 19 A. About 45 minutes.

12:30:27 20 Q. Were they in your general location the

12:30:30 21 entire 45 minutes or did they move about the terminal?

12:30:34 22 A. I -- I had my stuff set behind the seats

12:30:39 23 right next to the kiosk, and they were on the same --

12:30:43 24 they were sitting on that group of five seats, but they

25 were down towards the end, so it was one, two seats and

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12:30:54 2 then -- and then their bag was in front of the third
12:30:54 3 seat.

12:30:57 4 Q. Did they stay in that general location for
12:30:57 5 a period?

12:30:59 6 A. No. They were moving around. The FIDS
12:31:03 7 monitors are on the other side of the door so they
12:31:06 8 would have had to walk approximately 35 feet.

12:31:08 9 Q. How close did they get to the checkpoint
12:31:09 10 during your observation?

12:31:13 11 A. They were to the -- to the actual
12:31:16 12 checkpoint or to the stanchions that led to the
12:31:16 13 checkpoint?

12:31:17 14 Q. To the stanchions that led to the
12:31:18 15 checkpoint.

12:31:20 16 A. They were always more than 25 feet from
12:31:22 17 those stanchions.

12:31:25 18 Q. How far are the stanchions from the
12:31:34 19 walk-through magnetometer?

12:31:41 20 A. Another 25 feet plus.

12:31:46 21 Q. Did -- during this 45 minutes, did you
12:31:51 22 have any conversation with the two individuals?

12:31:52 23 A. Yes.

12:31:53 24 Q. When was the first time you said something
25 to them?

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12:32:00 2 A. As I was finishing up with the kiosk.

12:32:01 3 Q. How long had you had them under your
12:32:04 4 observation before you first said something to them?

12:32:08 5 A. About 40, 45 minutes.

12:32:10 6 Q. And I take it they had never said anything
12:32:11 7 to you during this time?

12:32:11 8 A. No.

12:32:13 9 Q. Did you approach them?

12:32:15 10 A. Well, it's not really approach them. They
12:32:17 11 were right there. But, we were in the same proximity.

12:32:24 12 Q. Why did you say something to them?

12:32:26 13 A. I was a little concerned about what they
12:32:27 14 were doing.

12:32:29 15 Q. Is it fair to say that it's not every day
12:32:33 16 that you would engage a customer in conversation at the
12:32:35 17 terminal at American Airlines?

12:32:36 18 A. No, I talk to people every day.

12:32:38 19 Q. Is it fair to say that it's not every day
12:32:40 20 you engage a customer in conversation because you're
12:32:43 21 concerned about their activities?

12:32:45 22 A. Not every day.

12:32:46 23 Q. Fair to say that the activities of these
12:32:50 24 two individuals were sufficiently suspicious that it
25 concerned you?

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12:32:51 2 A. Yes.

12:32:57 3 Q. And it was suspiciously consist -- it was
12:33:01 4 suspicious enough in your mind that you said something
12:33:02 5 to them?

12:33:03 6 A. Yes.

12:33:07 7 Q. And your concern was based upon, in part,
12:33:09 8 their surveillance of a security checkpoint area,
12:33:13 9 correct?

12:33:15 10 MR. CAMPBELL: Object to the form.

12:33:15 11 MR. CONNORS: Object to the form.

12:33:16 12 MR. PODESTA: Yes, I'll object to the
12:33:17 13 form, too. You can answer.

12:33:19 14 A. The fact that they were videotaping and
12:33:22 15 taking pictures in -- concerned me, yes.

12:33:24 16 Q. What did you say to them?

12:33:28 17 A. I said, "You guys don't have any of this
12:33:30 18 stuff in your bags, do you?"

12:33:31 19 Q. And what did they say?

12:33:37 20 A. They moved away from me, and one of them
12:33:42 21 said to the other, gesturing at me, called me a rather
12:33:45 22 nasty name in Arabic.

12:33:46 23 Q. Do you speak Arabic?

12:33:50 24 A. I swear in Arabic.

25 Q. I take it you swear enough in Arabic that

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12:33:54 2 you recognized this particular swear?

12:33:55 3 A. Yes.

12:33:58 4 Q. Did they say anything to alleviate the

12:34:00 5 concerns you had about their activities?

12:34:03 6 A. I became more concerned after I responded

12:34:06 7 to them in kind.

12:34:08 8 Q. At that point, what, if anything, did they

12:34:09 9 do?

12:34:10 10 A. They left.

12:34:13 11 Q. When you say they left, where did they go?

12:34:15 12 A. They moved away from me, packed their bag

12:34:17 13 and headed towards the south checkpoint.

12:34:18 14 Q. Did you follow them towards the south

12:34:19 15 checkpoint?

12:34:21 16 A. I would say I was within 5 to 10 feet of

12:34:23 17 them every minute they were walking.

12:34:25 18 Q. Did you try to keep them in your sight?

12:34:27 19 A. I had them dead center in my sight.

12:34:29 20 Q. You tried to keep them under your

12:34:30 21 surveillance?

12:34:30 22 A. I did.

12:34:32 23 Q. Did they reach the south checkpoint?

12:34:32 24 A. They did.

25 Q. What did they do next?

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12:34:36 2 A. They got -- well, the whole time that I
12:34:38 3 was following them, they were watching me follow them.
12:34:43 4 Very nervous, like a kind of smile at me like they knew
12:34:45 5 I was there.

12:34:49 6 They got into the line. They had
12:34:55 7 tickets. They got into the line and started into the
12:34:55 8 checkpoint.

12:34:56 9 Q. And when you say "the line," you're
12:34:59 10 referring to the security line?

12:35:00 11 A. I'm sorry. Yes, the queue.

12:35:02 12 Q. At the south checkpoint?

12:35:02 13 A. Yes.

12:35:04 14 Q. And this would be for passengers departing
12:35:07 15 out of the south checkpoint on American Airlines
12:35:07 16 flights?

12:35:09 17 A. American Airlines and American Eagle.

12:35:11 18 Q. Did you have a walkie-talkie with you on
12:35:12 19 that day?

12:35:12 20 A. I did.

12:35:12 21 Q. At that time?

12:35:15 22 A. Yes, I did.

12:35:16 23 Q. Did there come a time when they passed
12:35:18 24 through the security checkpoint?

25 A. Yes.

12:35:19 1 STEPHEN J. WALLACE - CONFIDENTIAL

12:35:21 2 Q. What, if anything, did you do at the
12:35:23 3 security checkpoint with respect to these two
12:35:24 4 individuals?

12:35:26 5 A. Well, as I was approaching the security
12:35:30 6 checkpoint, I noticed a Massachusetts state trooper. I
12:35:34 7 spoke to the trooper, told him what I had observed, and
12:35:37 8 then I moved to the -- to the back of the x-ray
12:35:42 9 machine, to the operator of the x-ray machine, and told
12:35:46 10 the operator let me know if is there anything wrong
12:35:47 11 with these bags.

12:35:48 12 Q. Did you say anything else to the operator
12:35:51 13 other than "let me know if there is anything wrong with
12:35:52 14 these bags"?

12:35:54 15 A. Yes. Don't let them through if there is
12:35:54 16 anything wrong.

12:35:56 17 Q. Did you say anything else to the operator
12:35:57 18 other than that?

12:35:58 19 A. No.

12:36:00 20 Q. Was it important in your mind to advise
12:36:03 21 the state trooper of these concerns?

12:36:04 22 A. Yes.

12:36:06 23 Q. And you're sure you said something to the
12:36:07 24 state trooper at that checkpoint?

25 A. Yes, I did.

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12:36:10 2 Q. What, if anything, did you say
12:36:13 3 specifically to the state trooper?

12:36:16 4 A. I said, specifically, these two clowns are
12:36:20 5 up to something. They've been taking videos and
12:36:24 6 pictures down at the checkpoint, down at the -- across
12:36:25 7 from the main checkpoint.

12:36:29 8 Q. Did you say anything else to anybody else
12:36:31 9 at the checkpoint at that time?

12:36:33 10 A. At the south checkpoint?

12:36:34 11 Q. Yes, sir.

12:36:36 12 A. No.

12:36:38 13 Q. And at that point, they cleared through
12:36:40 14 security and went on their way?

12:36:42 15 A. No. We stayed behind the x-ray and the
12:36:45 16 trooper was with me, and we watched their bags. I got
12:36:49 17 a radio call -- as they were clearing the first set of
12:36:53 18 magnetometers, I got a radio call and had to leave, and
12:36:59 19 I left the trooper there and went on the call.

12:37:00 20 Q. What was the call?

12:37:02 21 A. Something in the bag room.

12:37:04 22 Q. Do you recall specifically what it was?

12:37:07 23 A. No, but it was something that I was
12:37:11 24 specifically called for, so if it was a bag room issue,
25 it was either a sort controller or a programmable

13:27:27 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:27:28 2 A. I don't know that they were

13:27:29 3 American Airlines passengers.

13:27:32 4 Q. Had you ever made a derogatory comment to
13:27:33 5 individuals -- strike that.

13:27:35 6 Had you ever made a derogatory comment
13:27:37 7 towards anyone else in the American Airlines terminal
13:27:40 8 at Logan prior to that day?

13:27:41 9 MR. PODESTA: Including his coworkers?

13:27:43 10 Q. With the exception of his coworkers. The
13:27:53 11 general -- the general public.

13:27:53 12 A. No.

13:27:56 13 Q. I take it this was a very unusual event
13:27:59 14 surrounding these two individuals?

13:28:02 15 A. I was concerned, yes.

13:28:05 16 Q. Did they say anything else to you at any
13:28:08 17 time between when you first observed them and when they
13:28:10 18 went through the security checkpoint?

13:28:12 19 A. Not one word.

13:28:15 20 Q. Did you point out to any other
13:28:17 21 American Airlines employees or anyone else in the
13:28:21 22 vicinity of the kiosk these two individuals?

13:28:22 23 A. Yes.

13:28:27 24 Q. Who did you point the individuals out to?

25 A. There were two Massport employees

13:28:33 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:28:36 2 standing, sort of, as you face the exit lane to the

13:28:40 3 right of the exit lane, right at the corner of -- the

13:28:45 4 corner of the line defining the security checkpoint.

13:28:48 5 Q. And who were these Massport --

13:28:49 6 A. I don't.

13:28:51 7 Q. Let me finish. Who were these Massport

13:28:52 8 employees?

13:28:55 9 A. They -- all I remember about them was it

13:29:00 10 was a man and a woman, and they wore like an

13:29:04 11 electric-blue piece of clothing, like a shirt or a

13:29:08 12 blouse. I know they had a Massport badge on. They're

13:29:14 13 like -- I know they were like terminal managers.

13:29:18 14 Q. Had you ever seen them before?

13:29:22 15 A. I -- there's a lot of them. I had seen

13:29:25 16 people in that uniform before, but I don't know

13:29:27 17 specifically if I had seen them before.

13:29:28 18 Q. Did you know their names?

13:29:28 19 A. No.

13:29:30 20 Q. What did you say to them?

13:29:33 21 A. I said, there's two guys over there

13:29:38 22 videotaping and taking pictures and speaking in Arabic

13:29:40 23 to the -- on the telephone.

13:29:43 24 Q. Where were the Massport -- strike that.

25 You were both located at this point outside

13:29:45 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:29:47 2 the security checkpoint area?

13:29:47 3 A. Yes.

13:29:49 4 Q. And this is when you had walked over
13:29:50 5 following the two individuals?

13:29:51 6 A. No. That was -- that in the beginning,
13:29:56 7 when I first started loading the kiosk up.

13:29:59 8 Q. Okay. So, I'm sorry, I misunderstood you.
13:30:01 9 When you had this conversation with the two individuals
13:30:02 10 from Massport --

13:30:02 11 A. Yes.

13:30:04 12 Q. -- where were they located with respect to
13:30:05 13 the kiosk?

13:30:10 14 A. They were -- they were 25 feet in front of
13:30:13 15 it and slightly to the left of it.

13:30:15 16 Q. And how far were they from the security
13:30:15 17 checkpoint?

13:30:17 18 A. They were right at the corner of the
13:30:20 19 security checkpoint. Right -- right where the office
13:30:24 20 used to be, there was a glass block office. They were
13:30:26 21 right by that glass block office.

13:30:28 22 Q. And did you leave your location at the
13:30:30 23 kiosk to walk over and specifically talk to them?

13:30:30 24 A. Yes.

25 Q. Were you following the two individuals at

13:30:32 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:30:35 2 this point or did you walk over to specifically talk to

13:30:35 3 the Massport --

13:30:37 4 A. I walked over specifically to talk to the

13:30:38 5 Massport people.

13:30:41 6 Q. And what did they say when you relayed --

13:30:43 7 what did they say when you relayed that information to

13:30:44 8 them?

13:30:47 9 A. They said -- they said, no, they're not

13:30:50 10 speaking Arabic. They're speaking Portuguese. They're

13:30:50 11 okay.

13:30:51 12 Q. And what did you say?

13:30:52 13 A. I didn't say anything.

13:30:54 14 Q. You knew they weren't speaking Portuguese?

13:30:54 15 A. Yes.

13:30:56 16 Q. You knew they weren't okay, correct?

13:30:58 17 A. I -- I -- I --

13:30:58 18 MR. PODESTA: Object to the form.

13:31:01 19 Q. And you knew in your mind they were not

13:31:02 20 okay, correct?

13:31:04 21 A. I can't use those words, "not okay." I

13:31:05 22 can't say correct to that.

13:31:07 23 Q. But, you would agree with me,

13:31:11 24 notwithstanding what the individuals from Massport may

25 have said to you, you were still concerned about these

13:50:15 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:50:16 2 photographing in the terminal, specifically what were

13:50:19 3 they taking pictures of?

13:50:20 4 MR. PODESTA: Asked and answered.

13:50:21 5 MR. GRANITO: I think what we asked is the

13:50:24 6 videotape, not the Polaroid camera.

13:50:25 7 A. They were taking pictures of the

13:50:32 8 checkpoint and the FIDS monitors.

13:50:34 9 Q. Did you positively identify one of the

13:50:41 10 individuals as the terrorist Atta?

13:50:42 11 A. When?

13:50:44 12 Q. When you were shown the photographs by

13:50:47 13 either the FBI agents or ATF.

13:50:48 14 A. Yes.

13:50:50 15 Q. And would the first identification have

13:50:52 16 been with the FBI agent --

13:50:52 17 A. Yes.

13:50:55 18 Q. -- on September 12th?

13:51:40 19 A. Yes.

13:51:42 20 Q. I'd like to show you what we've marked for

13:51:49 21 identification as Exhibit 27, and ask you to take a

13:51:51 22 look at that, Mr. Wallace.

13:51:53 23 Let me know if that was one of the

13:51:58 24 individuals you identified to the FBI as having been at

25 the airport on May 11th conducting surveillance.

13:52:01 1 STEPHEN J. WALLACE - CONFIDENTIAL

13:52:04 2 A. Yes. That's Mohamed Atta.

13:52:05 3 Q. No doubt in your mind?

13:52:09 4 A. No doubt in my mind.

13:52:12 5 Q. You also identified one other person

13:52:15 6 through the picture array as having been at the airport

13:52:17 7 on May 11th conducting surveillance?

13:52:21 8 A. Yes.

13:52:23 9 Q. I'd like to show you what we have marked

13:52:26 10 for identification as Exhibit 29, and ask if that is

13:52:30 11 the individual who you identified for the FBI?

13:52:33 12 A. I would want to see them all together.

13:52:36 13 Q. Sure. I'll provide you with Exhibit 28

13:52:46 14 and 31.

13:52:47 15 MR. PODESTA: Do you have any other

13:52:50 16 photographs?

13:52:51 17 MR. GRANITO: We're working.

13:52:53 18 MR. PODESTA: I mean do you want him to

13:52:56 19 look at a comprehensive array or what is your --

13:52:57 20 MR. GRANITO: To see who he -- who it was

13:53:00 21 that he identified as the second individual on

13:53:01 22 May 11th.

13:53:07 23 BY MR. GRANITO:

13:53:08 24 Q. Is the second individual --

25 A. There is more.